



STEVEN L. BESHEAR
GOVERNOR

EXECUTIVE ORDER

Secretary of State
Frankfort
Kentucky

2012-384
June 4, 2012

By virtue of the authority vested in me by Section 12:210(1) of the Kentucky Revised Statutes, and as Governor of the Commonwealth of Kentucky, I, Steven L. Beshear, do hereby approve an employment contract between **Kentucky Housing Corporation**, and the following attorneys, as outlined in the attached contracts:

McBrayer, McGinnis, Leslie & Kirkland PLLC, Lexington, Ky
Lerner, Sampson & Rothfuss, Louisville, Kentucky
Kinhead & Stilz, PLLC, Lexington, Kentucky

Please enter this Executive Order upon the Executive Journal and file the attached Contract with the Executive Order.


STEVEN L. BESHEAR
Governor


ALISON LUNDERGAN GRIMES
Secretary of State

RECEIVED AND FILED

DATE 6/4/12

ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY K. Allen

COMMONWEALTH OF KENTUCKY

FINANCE AND ADMINISTRATION CABINET
DEPARTMENT FOR ADMINISTRATION
DIVISION OF PURCHASES

STANDARD CONTRACT
FOR PERSONAL SERVICES

THIS CONTRACT is made and entered into this 1st day of July, 2012, by and between KENTUCKY HOUSING CORPORATION, hereinafter referred to as "KHC", and McBrayer, McGinnis, Leslie & Kirkland, PLLC, 201 E. Main Street, Suite 1000, Lexington, KY 40507-2003 hereinafter referred to as "the Contractor".

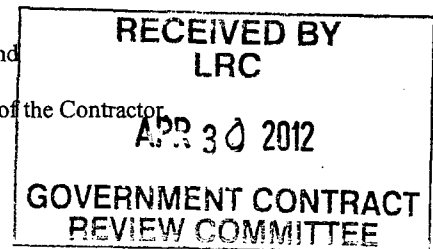
WHEREAS, KHC, in the exercise of its lawful duties, has determined upon the necessity of the performance of the following-described function(s): **Staff has identified a need for professional legal services beyond that which can be provided by KHC's in-house Legal Department due to the need for specialized expertise, time commitments or cost effectiveness;** and

WHEREAS, KHC has concluded that either KHC personnel are not available to perform said function, or it would not be feasible to utilize State personnel to perform said function; and

WHEREAS, the Contractor is available and would be qualified to perform such function; and

WHEREAS, for the hereinbefore-stated reasons, KHC desires to avail itself of the services of the Contractor.

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:



1. SERVICES.

The Contractor (the Contractor) will perform the services which are described with particularity in the attached letter (to which reference is made below) which is made a part hereof as if fully incorporated herein, or, if no letter is necessary, as hereinafter described with particularity as follows:

Assist KHC with Section 8 protocol, housing, tax credits, Federal Home Loan Bank procedures, HOME funding and other housing financing protocols to support the implementation of Recovery Kentucky programs, Scholar House and other special initiatives supported by KHC. Work with property management companies and non-profit substance abuse recovery agencies to assure compliance with HUD guidelines and assure that non-profit recovery programs are in compliance with the Recovery Kentucky protocol as determined by KHC. Assist KHC with working with civic leaders, political leaders, housing finance agencies and service provider agencies that support Recovery Kentucky programs within a community.

2. CONSIDERATION.

A. FEE.

As fee for the services hereinbefore set forth, KHC agrees to pay the Contractor one of the following, as indicated:

a sum not to exceed \$ 100,000.00

to be paid in the following manner or on the following terms:

Upon receipt of monthly itemized statements with the required PSC Invoice form.

The Contractor's invoice(s) for fee shall be signed and shall include not less than the following information:

Number of hours worked and reimbursement of direct expenses incurred.

The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by KHC.

COMMONWEALTH OF KENTUCKY
FINANCE AND ADMINISTRATION CABINET
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Personal Service Contract
No. **PSC-KHC-2013-15**

Account No. _____

Encumbrance Amt. \$100,000.00

This contract is effective on

July 1, 2012
(the date of delivery to the
Legislative Research Commission)

This contract expires:

June 30, 2013

WHEREAS, KHC, in the exercise of its lawful duties, has determined upon the necessity of the performance of the following-described function(s): **Staff has identified a need for professional legal services beyond that which can be provided by KHC's in-house Legal Department due to the need for specialized expertise, time commitments or cost effectiveness;** and

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The Contractor's invoice(s) for fee shall be signed and shall include not less than the following information:

Number of hours worked and reimbursement of direct expenses incurred.

The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by KHC.

B. TRAVEL EXPENSES, if authorized herein.

The Contractor shall be paid for no travel expenses unless and except as specifically authorized by.

Travel expenses, if authorized, shall be billed in the following manner:

Detailed on monthly statements.

C. OTHER EXPENSES, if authorized herein.

The Contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized by this paragraph as follows:

Direct expenses associated with the work performed.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish same if requested by KHC.

D. MAXIMUM FOR FEE AND EXPENSES.

The Contractor's fee, travel expense reimbursement (if any) and other expense reimbursement (if any) relative to the services shall not exceed a total of \$100,000.00.

3. INVOICING.

- A. Invoicing for Fee: The Contractor's fee shall be on an original invoice(s), shall include the required PSC Invoice form and shall be signed by the Contractor. The invoice must conform to the method prescribed under Section (2), Consideration, Paragraph A.
- B. Invoicing for Travel Expenses: The Contractor must follow instructions prescribed under Section (2), Consideration, Paragraph B. Either original or certified copies of receipts must be submitted for airline tickets, motel bills, restaurant charges, rental car charges and any other miscellaneous travel expenses.
- C. Invoicing for Miscellaneous Expenses: The Contractor must follow instructions prescribed under Section (2), Consideration, Paragraph C. Expenses submitted shall be either original or certified copies.

4. SIGNIFICANT CONTRACT DATES.

A. EFFECTIVE DATE.

This agreement is not effective unless and until the Secretary of the Finance and Administration Cabinet or his authorized designee has approved and signed the contract and unless and until three copies of the contract are filed by the State with the Legislative Research Commission, with each such copy being accompanied by documentation of the need for such service.

B. DATES WORK IS TO BE PERFORMED.

The period within the current fiscal year in which the services are to be performed under this contract is from July 1, 2012 to June 30, 2013.

C. EARLIEST DATE OF PAYMENT.

No payment on this contract shall be made before completion of the review procedure provided for in KRS 45A.705, unless and until alternate actions occur as set out in KRS 45A.695(7).

5. EXTENSIONS.

At the expiration of its initial term, this contract may, at the option of the parties hereto, be extended upon the same terms and conditions as set forth herein for further periods not to exceed twelve (12) months each, subject to the advance approval of the Secretary of the Finance and Administration Cabinet.

The process for the circulation of the RFP and evaluation of the submitted proposals will be conducted at least every three years. Contract renewals may be executed with the contract provider for each year, but for no more than two consecutive years, following the original RFP solicitation/evaluation process. The terms of any contract renewal will be consistent with the terms provided in the original proposal.

6. RETENTION OF RECORDS.

The parties agree to maintain all records pertaining to this contract for a period of not less than three (3) years after all matters pertaining to this contract (e.g., audit, settlement of audit exceptions, disputes) are resolved in accordance with applicable federal and/or state laws, regulations, and policies (except as may otherwise be specified in this Contract).

7. ACCESS TO RECORDS.

The contractor, as defined in KRS 45A.030(9) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884.

8. INSURANCE.

During the term of this Contract, Contractor shall maintain and also shall require any subcontractor to maintain directors and officers' liability insurance, workers' compensation insurance, employer liability insurance, and such other liability insurance as reasonably necessary to provide adequate coverage against losses and liabilities attributable to the respective acts or omissions in the performance of this Agreement.

Notice of coverage shall be sent in writing to the attention of the Legal Department – Personal Service Contracts, Kentucky Housing Corporation, 1231 Louisville Road, Frankfort, KY 40601.

The Certificate of Insurance for any policy other than self-insurance or any reinsurance must require that the insurer shall not cancel the coverage without thirty (30) days prior written notice to KHC.

Contractor shall notify KHC within five (5) business days of any cancellation or interruption of insurance coverage. If insurance coverage expires at any time during the term of this Contract, Contractor shall promptly provide a new Certificate of Insurance evidencing coverage as required herein for not less than the remainder of the term of this Contract.

9. INDEMNIFICATION.

Contractor shall indemnify and hold KHC harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, charges, and expenses, including reasonable attorney fees, which may be imposed upon or incurred by KHC as a result of Contractor's breach of this Contract.

10. SOCIAL SECURITY.

The parties are cognizant that the State is not liable for Social Security contributions pursuant to 42 U.S. Code, Section 418, relative to the compensation of the Contractor for this contract.

11. CANCELLATION.

KHC shall have the right to terminate and cancel this agreement at any time upon thirty (30) days' written notice served on the Contractor by registered or certified mail. Every corporation formed or doing business in Kentucky is required by law to maintain a registered agent and a registered office in Kentucky upon whom process (such as summons and subpoenas) may be served. The Contractor must be registered with the Secretary of State of Kentucky prior to entering into the contract. **The Contractor must maintain an active status and good standing with the Secretary of State of Kentucky during the contract period.**

Funding Out Provision:

KHC may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. KHC shall provide the contractor thirty (30) calendar days' written notice of termination of the contract.

12. PURCHASING AND SPECIFICATIONS.

This Contractor certifies by his signature hereinafter that he will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he attempt in any way to influence any purchasing of services, commodities or equipment by the Commonwealth of Kentucky. For the purpose of this paragraph and Paragraph 13, "he" is construed to mean "they" if more than one person is involved and if a firm, partnership, corporation, or other organization is involved, then "he" is construed to mean any person with an interest therein.

13. CONFLICT-OF-INTEREST LAWS AND PRINCIPLES.

The Contractor hereby certifies by his signature hereinafter that he is legally entitled to enter into the subject contract with the Commonwealth of Kentucky and certifies that he is not and will not be violating any conflict of interest statute (KRS 45A.330-45A.340, 45A.990, 164.390, or any other applicable statute) or principle by the performance of this contract.

14. CHOICE OF LAW AND FORUM PROVISION.

All questions as to the execution, validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Kentucky. Furthermore, the parties hereto agree that any legal action which is brought on the basis of this Agreement shall be filed in the Franklin County Circuit Court of the Commonwealth of Kentucky.

15. DISCRIMINATION (BECAUSE OF RACE, RELIGION, COLOR, NATIONAL ORIGIN, SEX, AGE OR HANDICAP) PROHIBITED.

During the performance of this contract, the Contractor agrees as follows:

- (1) The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex or age. The Contractor further agrees to comply with the provisions of Section 504 of the Rehabilitation Act of 1973, P.L. 93-112, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified handicapped individuals under any program or activity receiving federal financial assistance. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex or age or handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause.
- (2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex or age or handicap.
- (3) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.
- (4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.
- (5) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or Federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in or as otherwise provided by law.

- (7) The Contractor will include the provisions of paragraphs (1) through (7) of Section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

16. COMPLIANCE WITH FEDERAL, STATE AND MUNICIPAL REQUIREMENTS.

The Contractor will obtain any required permits and comply with applicable federal, state, and municipal laws, codes, and regulations for work performed pursuant to this contract.

17. CONFIDENTIALITY.

The parties certify that they will comply with the provisions of the Privacy Act of 1974 and instruct its employees to use the same degree of care as it uses with its own data to keep confidential information concerning client data, the business of the Contractor, KHC, its financial affairs, its relations with its citizens and its employees, as well as any other information which may be specifically classified as confidential by either party in writing to the other. Contractor shall have an appropriate agreement extending these confidentiality requirements to Contractors' employees. Contractor shall maintain as confidential any information acquired from or provided by KHC consistent with the requirements or KRS 194B.060, KRS 205.175 and KRS 205.177. Contractor shall not release such information to any person, partnership, corporation or association without the written approval of KHC. Written approval by KHC is not required for release by Contractor to state and federal investigatory authorities.

18. SEVERABILITY.

It is understood and agreed by the Contractor that if any part, term, or provision of this Contract is held by the courts to be illegal or in conflict with any law of the Commonwealth of Kentucky or of the United States of America, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Contract did not contain the particular part, term, or provision held to be invalid, if the remainder of the Contract is capable of performance.

19. FORCE MAJEURE.

Neither Party shall be liable for public utility performance (e.g., Postal service; telephone; or water company, etc.) or for the consequence of public utility non-performance. Events or conditions beyond the reasonable control of the Parties, such as natural disasters, fires, floods, elements, transportation crashes, or utility failures shall not be construed as non-performance, nor shall reductions be applied as a result of such events. Each Party must inform the other in writing with proof of receipt within five (5) business days of the existence of a Force Majeure event or otherwise waive this right as a defense.

20. OBLIGATION OF GOOD FAITH.

Each party shall be obligated to act in good faith in the performance and enforcement of its obligations herein, and shall deal fairly, honestly and reasonably with the other party, having due regard for all relevant facts and circumstances.

21. REDUCTION IN CONTRACT WORKER HOURS.

The Kentucky General Assembly may allow for a reduction in contract worker hours in conjunction with a budget balancing measure for some professional and non-professional service contracts. If under such authority the agency is required by Executive Order or otherwise to reduce contract hours, the contract will be reduced by the amount specified in that document.

22. VIOLATION OF TAX AND EMPLOYMENT LAWS.

KRS 45A.485 requires the contractor to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the contractor shall report any such final determination(s) of violation(s) to the

Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and KHC which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the contractor shall be in continuous compliance with the provisions of those statutes which apply to the contractor's operations, and that the contractor's failure to reveal a final determination as described above or failure to comply with the above statutes for the duration of the contract, shall be grounds for the Commonwealth's cancellation of the contract and the contractor's disqualification from eligibility for future state contracts for a period of two (2) years.

CONTRACTOR MUST CHECK ONE:



The contractor has not violated any of the provisions of the above statutes within the previous five (5) year period.



The contractor has violated the provisions of one or more of the above statutes within the previous five (5) year period and has revealed such final determination(s) of violation(s). A list of such determination(s) is attached.

23. MISCELLANEOUS PROVISIONS.

This agreement may be signed by each party upon a separate copy, and in such case one counterpart of this agreement shall consist of a sufficient number of such copies to reflect the signature of each party hereto. This agreement may be executed in two or more counterparts each of which shall be deemed an original, and it shall not be necessary in making proof of this agreement or the terms and conditions hereof to produce or account for more than one of such counterparts.

Funds Available: _____


Controller

Kentucky Housing Corporation

By: _____

Title: _____

Date: _____

McBrayer, McGinnis, Leslie & Kirkland, PLLC

By: _____

Title: _____

Date: _____

Approved by the Kentucky Housing Corporation's Executive Committee on March 29, 2012.

INSTRUCTIONS

1. The date on which the agreement is "made" and "entered into" should be the date both parties sign, or, if signing is on separate days, the date on which the later signature is affixed. If the Contractor is a firm, list on a separate sheet of paper the name and Social Security Number for each individual who will be connected with the contract. The effective date of the contract is the date it is filed, after all necessary approvals, with the Legislative Research Commission. [KRS 45A.695(1)]
2. The first "WHEREAS" necessitates a short, simple statement describing the Agency function, be it expressed or implied by the law, relative to which the Contractor's services will be utilized.
3. Contract paragraph 1 (Services) should set forth the necessary instructions to the Contractor concerning the services to be provided. (Describe them, to the extent required.) If space is insufficient, refer to a letter in which instructions are spelled out in detail. Attach a copy of the letter to each copy of the contract.
4. Contract paragraph 2 (Consideration) should be clear and specific as to payment and as to expense reimbursement, if any. Specify whether the Contractor is to be paid in a lump sum on final and satisfactory completion of the contracted service, is to be paid on completion of stated portions of the service, or is to be paid at stated intervals. If fee is determined by any method other than lump sum after completion of all work, specify the method and rate (such as dollars per hour per classification of employee). List the information the Contractor is to provide on his invoice(s).
5. If a contract is being extended with the same terms and conditions (options stated in Contract paragraph 5), use form B111-13 (Notice of Extension of Personal Services Contract). However, if the new agreement is to involve any change (amounts, instructions, services, or any other provisions), establish a new contract (Standard Contract for Personal Services, Form B111-11).
6. Contract paragraph 6 requires a determination, based on facts, as to whether the Contractor will be considered and treated as an employee or as an independent contractor within the terms of the federal laws on Social Security. (If he is to be an independent contractor, the state would have no liability for Social Security contribution.)
7. Contract paragraph 7 may be modified, if desired, by deleting the word "thirty" and substituting a shorter-but not longer-period of time. [KRS 45A.695(1)]
8. If this form contract proves inadequate for the specific services involved, particularly with reference to Contract paragraphs 1 and 2, then it may be used as a guide for the drafting of a special-purpose contract document to provide additional (not less) information. A special-purpose contract document, if used, must include all the standard provisions contained in this form contract. These provisions generally reflect legal requirements or policy requirements applicable to all State personal service contracts. If a special-purpose contract is drawn, there must be a notation and appropriate signature on the contract indicating that it was either prepared or approved by:
 - (a) an attorney of KHC or
 - (b) the Assistant Attorney General assigned to that agency.
9. Originating agency will submit six (6) copies of the contract to the Division of Purchases and keep one copy of this contract for agency files. [KRS 12.210(1) provides that employment of attorneys is also subject to review by Attorney General and subject to approval by the Governor.]

Contract Number
PSC-KHC 2013-15

8

H. Frequency of Payment: **X** **Monthly**
Quarterly
Upon Completion
Other - Explain:

I. Social Security Number (if individual) or IRS I.D. Number (of firm or corporate entity) of proposed contractor:

J. If an individual, will the terms of contract require that the contractor be considered an "employee" of this Department for FICA purposes? **N/A**

6. JUSTIFICATION FOR CONTRACTING WITH AN OUTSIDE PROVIDER TO PERFORM THE SERVICE.

The following questions should be addressed at a minimum: What in-house method(s) were considered and why were potential in-house method(s) rejected? Is the part of such nature that: it should be done independently of the agency to avoid a conflict of interest; it requires unique or special expertise/qualifications; and/or legal or other special circumstances require use of an outside provider? If services are needed on a continuing basis, describe efforts made to secure services through regular state employment channels? Will agency personnel provide staff support services to the contractor?

The Chairman has identified a need for special legal services beyond that which can be provided by KHC's in-house Legal Department due to the need for specialized expertise, time commitments or cost effectiveness.

7. Name and address of other provider(s) considered to perform the service:

No other applicants responded to the RFP.

8. Basis for selection of the proposed contractor (explain process used in making decisions, i.e., solicitation of proposals, bids, references, and evaluation criteria applied):

Proposals were solicited by a RFP. Staff independently reviewed and evaluated the submitted proposal based upon the criteria of qualifications, experience, relevant previous experience and proposed fees for services. Staff reports were sent to the Board of Directors for final approval.

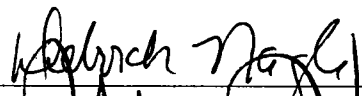
9. Planned supervision and monitoring of the contractor's performance:

A. Name and Title of Responsible Person: **Richard L. McQuady, Chief Executive Officer**
Office and Location: **Kentucky Housing Corporation, 1231 Louisville Rd., Frankfort, KY 40601**
Telephone Number: **(502) 564-7630**

B. Describe the monitoring activities, both programmatic and fiscal, which will be performed including the manner in which monitoring needs will be addressed in the contract to facilitate this activity:

The Board Chairman, Chief Executive Officer or General Counsel will maintain close contact with contractor to remain apprised of all work being performed and will review statements prior to approval for payment.

SIGNATURES:

PREPARED BY: 

DATE: 3-20-12

RECOMMENDED BY: 

DATE: 3-20-12

TITLE: C.O.O.

APPROVED BY: 

DATE: 3/29/12

TITLE: CEO

CONTRACT ADDENDUM

between KENTUCKY HOUSING CORPORATION (KHC)

and MCBRAYER, MCGINNIS, LESLIE & KIRKLAND, PLLC (Contractor)

The undersigned hereby certifies that neither he/she nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of this contract, has contributed more than the amount specified in KRS 121.056(2), to the campaign of the gubernatorial candidate elected at the election last preceding the date of this contract. The undersigned further swears under the penalty of perjury, that neither he/she or the Contractor which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth, and that the award of a contract to him/her or the Contractor which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.

CONTRACTOR:

McBrayer, McGinnis, Leslie & Kirkland, PLLC

BY:

(Signature)

(Title)

STATE OF KENTUCKY)

COUNTY OF Fayette)

)SS

The foregoing statement was acknowledged and sworn to before me this 28th day of March, 2012 by Cecil F. Dunn as Attorney of McBrayer, McGinnis, Leslie & Kirkland, PLLC, for and on behalf of the Contractor.

My Commission Expires:

1-18-13

[Signature]
Notary Public, Kentucky, State-At-Large

Al M. Adams

COMMONWEALTH OF KENTUCKY

FINANCE AND ADMINISTRATION CABINET
DEPARTMENT FOR ADMINISTRATION
DIVISION OF PURCHASES

STANDARD CONTRACT
FOR PERSONAL SERVICES

THIS CONTRACT is made and entered into this **1st** day of **July, 2012**, by and between KENTUCKY HOUSING CORPORATION, Commonwealth of Kentucky, hereinafter referred to as the State Agency or as the First Party, and **Lerner, Sampson & Rothfuss, 239 South 5th St, Ste 800, Louisville, KY 40202**, hereinafter referred to as the Contractor or as the Second Party.

Personal Service Contract
No. PSC-KHC-2013-10

Account No. _____

Encumbrance Amt. **\$250,000.00**

This contract is effective on

July 1, 2012
(the date of delivery to the
Legislative Research Commission)

This contract expires:

June 30, 2013

WHEREAS, the State Agency, in the exercise of its lawful duties, has determined upon the necessity of the performance of the following-described function(s): **Staff has identified a need for legal representation in foreclosure and bankruptcy beyond that which can be provided by KHC's in-house Legal Department due to the need for specialized expertise, time commitments or cost effectiveness (Insurer or GSE will reimburse outside counsel but will not reimburse inside counsel); and**

WHEREAS, the State Agency has concluded that either State personnel are not available to perform said function, or it would not be feasible to utilize State personnel to perform said function; and

WHEREAS, the Second Party is available and would be qualified to perform such function; and

WHEREAS, for the hereinbefore-stated reasons, the State Agency desires to avail itself of the services of the Second Party,

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

1. **SERVICES.**

The Second Party (the Contractor) will perform the services which are described with particularity in the attached letter (to which reference is made below) which is made a part hereof as if fully incorporated herein, or, if no letter is necessary, as hereinafter described with particularity as follows:

Services will include, on an as-needed basis, representation of State Agency in foreclosure, bankruptcy, and other litigation matters regarding the State Agency's single-family loans. It is the sole discretion of the General Counsel to determine and assign work flow.

2. **CONSIDERATION.**

A. **FEE.**

As fee for the services hereinbefore set forth, the State Agency agrees to pay the Contractor one of the following, as indicated:

a sum not to exceed \$250,000.00

to be paid in the following manner or on the following terms:

Upon receipt of (no less than) monthly itemized statements.

The Contractor's invoice(s) for fee shall be signed and shall include not less than the following information:

Itemization of fees and costs.

*The Contractor's invoice(s) for fees must include the required **PSC Invoice form** with each invoice they submit to the State Agency. The Invoice form requires specific, detailed information to be completed and signed by the Contractor. A copy of the PSC invoice form is included with this contract.

The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by State Government.

B. TRAVEL EXPENSES, if authorized herein.

The Contractor shall be paid for no travel expenses unless and except as specifically authorized by the State Agency's General Counsel.

C. OTHER EXPENSES, if authorized herein.

The Contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized by this paragraph as follows:

Direct expenses associated with the work performed.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish same if requested by State Government.

D. MAXIMUM FOR FEE AND EXPENSES.

The Contractor's fee and other expense reimbursement (if any) relative to the services shall not exceed a total of \$250,000.00.

3. INVOICING.

- A. Invoicing for Fee: The Contractor's fee shall be original invoice(s) and shall be signed by the Contractor. The invoice(s) must conform to the method prescribed under Section (2), Consideration, Paragraph A.
- B. Invoicing for Travel Expenses: The Contractor must follow instructions prescribed under Section (2), Consideration, Paragraph B. Either original or certified copies of receipts must be submitted for airline tickets, motel bills, restaurant charges, rental car charges and any other miscellaneous travel expenses.
- C. Invoicing for Miscellaneous Expenses: The Contractor must follow instructions prescribed under Section (2), Consideration, Paragraph C. Expenses submitted shall be either original or certified copies.

4. SIGNIFICANT CONTRACT DATES.

A. EFFECTIVE DATE.

This agreement is not effective unless and until a copy of the contract is filed and approved by the State with the Legislative Research Commission.

B. DATES WORK IS TO BE PERFORMED.

The period within the current fiscal year in which the services are to be performed under this contract is from July 1, 2012 to June 30, 2013.

C. EARLIEST DATE OF PAYMENT.

No payment on this contract shall be made before completion of the review procedure provided for in KRS 45A.705, unless and until alternate actions occur as set out in KRS 45A.695(7).

5. EXTENSIONS.

At the expiration of its initial term, this contract may, at the option of the parties hereto, be extended upon the same terms and conditions as set forth herein for further periods not to exceed twelve (12) months each.

The process for the circulation of the RFP and evaluation of the submitted proposals will be conducted at least every three years. Contract renewals may be executed with the contract provider for each year, but for no more than two consecutive years, following the original RFP solicitation/evaluation process. The terms of any contract renewal will be consistent with the terms provided in the original proposal.

6. RETENTION OF RECORDS.

The parties agree to maintain all records pertaining to this contract for a period of not less than three (3) years after all matters pertaining to this contract (e.g., audit, settlement of audit exceptions, disputes) are resolved in accordance with applicable federal and/or state laws, regulations, and policies (except as may otherwise be specified in this Contract).

7. ACCESS TO RECORDS:

The contractor, as defined in KRS 45A.030(9) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The contractor also recognizes that any books, documents, papers, records, or other evidence received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884.

8. INSURANCE.

During the term of this Contract, Contractor shall maintain and also shall require any subcontractor to maintain directors and officers' liability insurance, workers' compensation insurance, employer liability insurance, and such other liability insurance as reasonably necessary to provide adequate coverage against losses and liabilities attributable to the respective acts or omissions in the performance of this Agreement.

Notice of coverage shall be sent in writing to the attention of the Legal Department – Personal Service Contracts, Kentucky Housing Corporation, 1231 Louisville Road, Frankfort, KY 40601.

The Certificate of Insurance for any policy other than self-insurance or any reinsurance must require that the insurer shall not cancel the coverage without thirty (30) days prior written notice to the Cabinet and to the State Agency.

Contractor shall notify the State Agency within five (5) business days of any cancellation or interruption of insurance coverage. If insurance coverage expires at any time during the term of this Contract, Contractor shall promptly provide a new Certificate of Insurance evidencing coverage as required herein for not less than the remainder of the term of this Contract.

9. INDEMNIFICATION.

Contractor shall indemnify and hold the State Agency harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, charges, and expenses, including reasonable attorney fees, which may be imposed upon or incurred by the State Agency as a result of Contractor's breach of this Contract.

10. SOCIAL SECURITY.

The parties are cognizant that the State is not liable for Social Security contributions pursuant to 42 U.S. Code, Section 418, relative to the compensation of the Second Party for this contract.

11. CANCELLATION.

The State Agency shall have the right to terminate and cancel this agreement at any time upon thirty (30) days' written notice served on the Contractor by registered or certified mail. Every corporation formed or doing business in Kentucky is required by law to maintain a registered agent and a registered office in Kentucky upon whom process (such as summons and subpoenas) may be served. The Contractor must be registered with the Secretary of State of Kentucky prior to entering into the contract. **The Contractor must maintain an active status and good standing with the Secretary of State of Kentucky during the contract period.**

Funding Out Provision:

The state agency may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The state agency shall provide the contractor thirty (30) calendar days' written notice of termination of the contract.

12. PURCHASING AND SPECIFICATIONS.

This Contractor certifies by his signature hereinafter that he will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he attempt in any way to influence any purchasing of services, commodities or equipment by the Commonwealth of Kentucky. For the purpose of this paragraph and Paragraph 13, "he" is construed to mean "they" if more than one person is involved and if a firm, partnership, corporation, or other organization is involved, then "he" is construed to mean any person with an interest therein.

13. CONFLICT-OF-INTEREST LAWS AND PRINCIPLES.

The Contractor hereby certifies by his signature hereinafter that he is legally entitled to enter into the subject contract with the Commonwealth of Kentucky and certifies that he is not and will not be violating any conflict of interest statute (KRS 45A.330-45A.340, 45A.990, 164.390, or any other applicable statute) or principle by the performance of this contract.

14. CHOICE OF LAW AND FORUM PROVISION.

All questions as to the execution, validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Kentucky. Furthermore, the parties hereto agree that any legal action which is brought on the basis of this Agreement shall be filed in the Franklin County Circuit Court of the Commonwealth of Kentucky.

15. DISCRIMINATION (BECAUSE OF RACE, RELIGION, COLOR, NATIONAL ORIGIN, SEX, AGE OR HANDICAP) PROHIBITED.

During the performance of this contract, the Contractor agrees as follows:

- (1) The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex or age. The Contractor further agrees to comply with the provisions of Section 504 of the Rehabilitation Act of 1973, P.L. 93-112, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified handicapped individuals under any program or activity receiving federal financial assistance. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex or age or handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause.
- (2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex or age or handicap.
- (3) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.
- (4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.
- (5) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or Federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in or as otherwise provided by law.
- (7) The Contractor will include the provisions of paragraphs (1) through (7) of Section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a Contractor

becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

16. COMPLIANCE WITH FEDERAL, STATE, AND MUNICIPAL REQUIREMENTS.

The Contractor will obtain any required permits and comply with applicable federal, state, and municipal laws, codes, and regulations for work performed pursuant to this contract.

17. CONFIDENTIALITY.

The parties certify that they will comply with the provisions of the Privacy Act of 1974 and instruct its employees to use the same degree of care as it uses with its own data to keep confidential information concerning client data, the business of the Contractor, the State Agency, its financial affairs, its relations with its citizens and its employees, as well as any other information which may be specifically classified as confidential by either party in writing to the other. Contractor shall have an appropriate agreement extending these confidentiality requirements to Contractors' employees. Contractor shall maintain as confidential any information acquired from or provided by the State Agency consistent with the requirements or KRS 194B.060, KRS 205.175 and KRS 205.177. Contractor shall not release such information to any person, partnership, corporation or association without the written approval of the State Agency. Written approval by the State Agency is not required for release by Contractor to state and federal investigatory authorities.

18. SEVERABILITY.

It is understood and agreed by the Contractor that if any part, term, or provision of this Contract is held by the courts to be illegal or in conflict with any law of the Commonwealth of Kentucky or of the United States of America, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Contract did not contain the particular part, term, or provision held to be invalid, if the remainder of the Contract is capable of performance.

19. FORCE MAJEURE.

Neither Party shall be liable for public utility performance (e.g., Postal service; telephone; or water company, etc.) or for the consequence of public utility non-performance. Events or conditions beyond the reasonable control of the Parties, such as natural disasters, fires, floods, elements, transportation crashes, or utility failures shall not be construed as non-performance, nor shall reductions be applied as a result of such events. Each Party must inform the other in writing with proof of receipt within five (5) business days of the existence of a Force Majeure event or otherwise waive this right as a defense.

20. OBLIGATION OF GOOD FAITH.

Each party shall be obligated to act in good faith in the performance and enforcement of its obligations herein, and shall deal fairly, honestly and reasonably with the other party, having due regard for all relevant facts and circumstances.

21. REDUCTION IN CONTRACT WORKER HOURS:

The Kentucky General Assembly may allow for a reduction in contract worker hours in conjunction with a budget balancing measure for some professional and non-professional service contracts. If under such authority the agency is required by Executive Order or otherwise to reduce contract hours, the contract will be reduced by the amount specified in that document.

22. VIOLATION OF TAX AND EMPLOYMENT LAWS:

KRS 45A.485 requires the contractor to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the contractor shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the contractor shall be in continuous compliance with the provisions of those statutes which apply to the contractor's operations, and that the contractor's failure to reveal a final determination as described above or failure to comply with the above statutes for the duration of the contract, shall be grounds for the Commonwealth's cancellation of the contract and the contractor's disqualification from eligibility for future state contracts for a period of two (2) years.

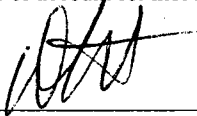
CONTRACTOR MUST CHECK ONE:

- ☒ The contractor has not violated any of the provisions of the above statutes within the previous five (5) year period.
- ☐ The contractor has violated the provisions of one or more of the above statutes within the previous five (5) year period and has revealed such final determination(s) of violation(s). A list of such determination(s) is attached.

23. MISCELLANEOUS PROVISIONS:

This agreement may be signed by each party upon a separate copy, and in such case one counterpart of this agreement shall consist of a sufficient number of such copies to reflect the signature of each party hereto. This agreement may be executed in two or more counterparts each of which shall be deemed an original, and it shall not be necessary in making proof of this agreement or the terms and conditions hereof to produce or account for more than one of such counterparts.

Funds Available:


Controller

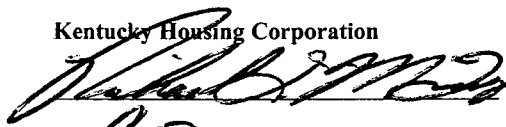
First Party:

Kentucky Housing Corporation

By:

Title:

Date:


CEO
3/29/12

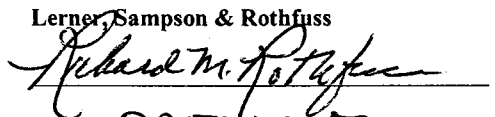
Second Party:

Lerner, Sampson & Rothfuss

By:

Title:

Date:


PRESIDENT
3-27-12

Approved by Kentucky Housing Corporation's Executive Committee on March 29, 2012.

INSTRUCTIONS

1. The date on which the agreement is "made" and "entered into" should be the date both parties sign, or, if signing is on separate days, the date on which the later signature is affixed. If the Contractor is a firm, list on a separate sheet of paper the name and Social Security Number for each individual who will be connected with the contract. The effective date of the contract is the date it is filed, after all necessary approvals, with the Legislative Research Commission. [KRS 45A.695(1)]
2. The first "WHEREAS" necessitates a short, simple statement describing the Agency function, be it expressed or implied by the law, relative to which the Contractor's services will be utilized.
3. Contract paragraph 1 (Services) should set forth the necessary instructions to the Contractor concerning the services to be provided. (Describe them, to the extent required.) If space is insufficient, refer to a letter in which instructions are spelled out in detail. Attach a copy of the letter to each copy of the contract.
4. Contract paragraph 2 (Consideration) should be clear and specific as to payment and as to expense reimbursement, if any. Specify whether the Contractor is to be paid in a lump sum on final and satisfactory completion of the contracted service, is to be paid on completion of stated portions of the service, or is to be paid at stated intervals. If fee is determined by any method other than lump sum after completion of all work, specify the method and rate (such as dollars per hour per classification of employee). List the information the Contractor is to provide on his invoice(s).
5. If a contract is being extended with the same terms and conditions (options stated in Contract paragraph 5), use form B111-13 (Notice of Extension of Personal Services Contract). However, if the new agreement is to involve any change (amounts, instructions, services, or any other provisions), establish a new contract (Standard Contract for Personal Services, Form B111-11).
6. Contract paragraph 6 requires a determination, based on facts, as to whether the Contractor will be considered and treated as an employee or as an independent contractor within the terms of the federal laws on Social Security. (If he is to be an independent contractor, the state would have no liability for Social Security contribution.)
7. Contract paragraph 7 may be modified, if desired, by deleting the word "thirty" and substituting a shorter-but not longer-period of time. [KRS 45A.695(1)]
8. If this form contract proves inadequate for the specific services involved, particularly with reference to Contract paragraphs 1 and 2, then it may be used as a guide for the drafting of a special-purpose contract document to provide additional (not less) information. A special-purpose contract document, if used, must include all the standard provisions contained in this form contract. These provisions generally reflect legal requirements or policy requirements applicable to all State personal service contracts. If a special-purpose contract is drawn, there must be a notation and appropriate signature on the contract indicating that it was either prepared or approved by:
 - (a) an attorney of the State Agency or
 - (b) the Assistant Attorney General assigned to that agency.
9. Originating agency will submit six (6) copies of the contract to the Division of Purchases and keep one copy of this contract for agency files. [KRS 12.210(1) provides that employment of attorneys is also subject to review by Attorney General and subject to approval by the Governor.]

Legislative Research Commission
Personal Service Contract Proof of Necessity

Contract Number
PSC-KHC-2013-10

Type of Contract: New
 X Renewal (Renegotiation)
 Extension for Time Only

Note: All questions must be answered fully. If space provided is insufficient, additional pages should be attached referencing the specifically numbered item. Questions regarding this form should be directed to the Bureau/Staff Office Contract Officer.

1. Name & Address of Contractor: **Lerner, Sampson & Rothfuss**
 239 South 5th St, Ste 800
 Louisville, KY 40202

2. Effective Period of Contract:
Start Date: **July 1, 2012**
End Date: **June 30, 2013**

3. Explain work to be performed. (Be specific. Include: Description of project; type(s) of service to be delivered; reports or products to be prepared; reason for duration of contract; etc.)

Services will include representation of KHC in foreclosure, bankruptcy, and other litigation matters regarding Kentucky Housing Corporation's single-family loans.

4. A. Does an identified or anticipated reason now exist which would indicate a need to renew the contract for the succeeding fiscal year?

YES, the process for the circulation of the RFP and evaluation of the submitted proposals will be conducted at least every three years. Contract renewals may be executed with the contract provider for each year, but for no more than two consecutive years, following the original RFP solicitation/evaluation process. The terms of any contract renewal will be consistent with the terms provided in the original proposal.

If yes, explain: **Services to be performed are of an ongoing nature. Litigation handled by outside counsel may span fiscal years.**

B. Will the contract provide for cancellation by the Department upon a maximum of 30 days or less written notice to the contractor?

YES

5. FINANCIAL AND CONTRACT COST DATA:

A. Total Projected Cost of Contract: **\$250,000.00**
Source of Funds: Federal: \$
 State: \$
 Local/Other: **\$250,000.00 KHC funds (approximately 75% will be reimbursable by federal funds)**

B. If contract is supported by federal funds, indicate: grant/project title; grant I.D. number; and DFDA number: **N/A**

C. If contract is supported by state funds, indicate source(s) and amount(s) (i.e., General Fund, Trust and Agency, Other): **N/A**

D. Was the contract cost included in the original Budget Request? **No, Kentucky Housing Corporation receives no appropriation from the General Fund.**

E. Describe in detail how the projected cost of the contract was derived (attach proposed budget when applicable): **Based on an estimate of work to be performed on an annual basis. The exact amount of work to be performed cannot be predetermined.**

F. Basis for Payment:

Hourly: \$125.00 per hour (partner), \$100 per hour (associates), \$40 per hour (paralegals) for contested matters not covered by a fee agreement

Fee for Service:

Other - Explain: fees for routine services as allowed by FNMA, FHLMC the VA and other investors and insurers

G. Method of Payment:

X Straight Disbursement
Inter-Account

H. Frequency of Payment:

Monthly
Quarterly
Upon Completion

X Other - Explain: Initial invoicing at time of Complaint filing and final invoice upon completion. In the event extraordinary circumstances arise, preapproval must be obtained for an interim bill.

I. Social Security Number (if individual) or IRS I.D. Number (of firm or corporate entity) of proposed contractor:

J. If an individual, will the terms of contract require that the contractor be considered an "employee" of this Department for FICA purposes? **N/A**

6. JUSTIFICATION FOR CONTRACTING WITH AN OUTSIDE PROVIDER TO PERFORM THE SERVICE.

The following questions should be addressed at a minimum: What in-house method(s) were considered and why were potential in-house method(s) rejected? Is the part of such nature that: it should be done independently of the agency to avoid a conflict of interest; it requires unique or special expertise/qualifications; and/or legal or other special circumstances require use of an outside provider? If services are needed on a continuing basis, describe efforts made to secure services through regular state employment channels? Will agency personnel provide staff support services to the contractor?

Staff has identified a need for legal representation in foreclosure and bankruptcy beyond that which can be provided by KHC's in-house Legal Department due to the need for specialized expertise, time commitments and cost effectiveness.

7. Name and address of other provider(s) considered to perform the service:

Goldberg Simpson, LLC
9301 Dayflower Street
Louisville, KY 40059

Ackerson & Yann, P LLC
401 West Main Street, Ste. 1200
Louisville, KY 40202

John W. Wooldridge
200 S. Buckman St.
Shepherdsville, KY 40165

Middleton Reutlinger
2500 Brown & Williamson Tower
Louisville, KY 40202

Kinhead & Stilz, PLLC
National City Plaza
301 E. Main Street, Suite 800
Lexington, KY 40507

Stierle & Stierle, Attorney at Law
410 West Chestnut St., Ste. 617
Louisville, KY 40202

8. Basis for selection of the proposed contractor (explain process used in making decisions, i.e., solicitation of proposals, bids, references, and evaluation criteria applied):

Proposals were solicited by a RFP. Upon Receipt of the proposals a staff committee independently reviewed and evaluated the submitted proposals based upon the criteria of qualifications, experience, relevant previous experience and proposed fees for services and firms were selected on the basis of the evaluations. Staff reports were sent to the Board of Directors for final approval.

9. Planned supervision and monitoring of the contractor's performance:

A. Name and Title of Responsible Person: **Lisa A. Beran, General Counsel**

Office and Location:

Kentucky Housing Corporation, 1231 Louisville Rd., Frankfort, KY 40601

Telephone Number:

(502) 564-7630 ext. 722

- B. Describe the monitoring activities, both programmatic and fiscal, which will be performed including the manner in which monitoring needs will be addressed in the contract to facilitate this activity:

General Counsel will manage contact with the Contractor and have over sight of all work being performed.

SIGNATURES:

PREPARED BY: Walter H. Nye

DATE: 3-20-12

RECOMMENDED BY: Dayle Beach

DATE: 3-28-12

TITLE: Director Loan Servicing

APPROVED BY: Paul L. Mink
Chief Executive Officer

DATE: 3/29/12

CONTRACT ADDENDUM

between **Kentucky Housing Corporation** (First Party/State Agency)

and **Lerner, Sampson & Rothfuss** (Contractor/Vendor/Second Party)

The undersigned hereby certifies that neither he/she nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of this contract, has contributed more than the amount specified in KRS 121.056(2), to the campaign of the gubernatorial candidate elected at the election last preceding the date of this contract. The undersigned further swears under the penalty of perjury, that neither he/she or the Contractor/Vendor which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth, and that the award of a contract to him/her or the Contractor/Vendor which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.

CONTRACTOR/VENDOR/SECOND PARTY:

Lerner, Sampson & Rothfuss

Richard M. Rothfuss
(Signature)

PRESIDENT
(Title)

STATE OF ~~KENTUCKY~~ OHIO

COUNTY OF HAMILTON

)
)SS
)

The foregoing statement was acknowledged and sworn to before me this 27th day of March 2012 by
Richard M. Rothfuss as President of Lerner, Sampson & Rothfuss, for and on behalf of the
Contractor/Vendor/Second Party.

My Commission Expires: 1-22-2014



Colleen M. Stanchfield
Notary Public, Kentucky, State At Large

LERNER, SAMPSON, & ROTHFUSS CORPORATION**General Information**

Organization Number 0797558
Name LERNER, SAMPSON, & ROTHFUSS CORPORATION
Profit or Non-Profit P - Profit
Company Type FCO - Foreign Corporation
Status A - Active
Standing G - Good
State OH
File Date 8/8/2011
Authority Date 8/8/2011
Last Annual Report N/A
Principal Office 120 E. 4TH STREET
CINCINNATI, OH 45202
Registered Agent MICHAEL R. BRINKMAN
239 SOUTH 5TH STREET
LOUISVILLE, KY 40202

Current Officers**Individuals / Entities listed at time of formation****Images available online**

Documents filed with the Office of the Secretary of State on September 15, 2004 or thereafter are available as scanned images or PDF documents. Documents filed prior to September 15, 2004 will become available as the images are created.

<u>Registered Agent</u>	3/20/2012	1 page	<u>PDF</u>
<u>name/address change</u>	12:33:07 PM		
<u>Application for Certificate of Authority(Corp)</u>	8/8/2011	1 page	<u>tiff</u> <u>PDF</u>

Assumed Names**Activity History**

Filing	File Date	Effective Date	Org. Referenced
Registered agent address change	3/20/2012 12:33:07 PM	3/20/2012 12:33:07 PM	

Add	8/8/2011	
	12:08:03	8/8/2011
	PM	

Microfilmed Images

COMMONWEALTH OF KENTUCKY

FINANCE AND ADMINISTRATION CABINET
DEPARTMENT FOR ADMINISTRATION
DIVISION OF PURCHASES

STANDARD CONTRACT
FOR PERSONAL SERVICES

THIS CONTRACT is made and entered into this 1st day of July, 2012, by and between KENTUCKY HOUSING CORPORATION, Commonwealth of Kentucky, hereinafter referred to as the State Agency or as the First Party, and Kinkead & Stilz, PLLC, 301 E. Main St., Suite 800, Lexington, KY 40507, hereinafter referred to as the Contractor or as the Second Party.

Personal Service Contract
No. PSC-KHC-2013-9

Account No. _____

Encumbrance Amt. \$900,000.00

This contract is effective on

July 1, 2012

(the date of delivery to the
Legislative Research Commission)

This contract expires:

June 30, 2013

WHEREAS, the State Agency, in the exercise of its lawful duties, has determined upon the necessity of the performance of the following-described function(s): **Staff has identified a need for legal representation in foreclosure and bankruptcy beyond that which can be provided by KHC's in-house Legal Department due to the need for specialized expertise, time commitments or cost effectiveness (Insurer or GSE will reimburse outside counsel but will not reimburse inside counsel); and**

WHEREAS, the State Agency has concluded that either State personnel are not available to perform said function, or it would not be feasible to utilize State personnel to perform said function; and

WHEREAS, the Second Party is available and would be qualified to perform such function; and

WHEREAS, for the hereinbefore-stated reasons, the State Agency desires to avail itself of the services of the Second Party,

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

1. **SERVICES.**

The Second Party (the Contractor) will perform the services which are described with particularity in the attached letter (to which reference is made below) which is made a part hereof as if fully incorporated herein, or, if no letter is necessary, as hereinafter described with particularity as follows:

Services will include, on an as-needed basis, representation of State Agency in foreclosure, bankruptcy, and other litigation matters regarding the State Agency's single-family loans. It is the sole discretion of the General Counsel to determine and assign work flow.

2. **CONSIDERATION.**

A. **FEE.**

As fee for the services hereinbefore set forth, the State Agency agrees to pay the Contractor one of the following, as indicated:

a sum not to exceed \$900,000.00

to be paid in the following manner or on the following terms:

Upon receipt of (no less than) monthly itemized statements.

The Contractor's invoice(s) for fee shall be signed and shall include not less than the following information:

Itemization of fees and costs.

*The Contractor's invoice(s) for fees must include the required **PSC Invoice form** with each invoice they submit to the State Agency. The Invoice form requires specific, detailed information to be completed and signed by the Contractor. A copy of the PSC invoice form is included with this contract.

The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by State Government.

B. TRAVEL EXPENSES, if authorized herein.

The Contractor shall be paid for no travel expenses unless and except as specifically authorized by the State Agency's General Counsel.

C. OTHER EXPENSES, if authorized herein.

The Contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized by this paragraph as follows:

Direct expenses associated with the work performed.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish same if requested by State Government.

D. MAXIMUM FOR FEE AND EXPENSES.

The Contractor's fee and other expense reimbursement (if any) relative to the services shall not exceed a total of \$900,000.00.

3. INVOICING.

- A. Invoicing for Fee: The Contractor's fee shall be original invoice(s) and shall be signed by the Contractor. The invoice(s) must conform to the method prescribed under Section (2), Consideration, Paragraph A.
- B. Invoicing for Travel Expenses: The Contractor must follow instructions prescribed under Section (2), Consideration, Paragraph B. Either original or certified copies of receipts must be submitted for airline tickets, motel bills, restaurant charges, rental car charges and any other miscellaneous travel expenses.
- C. Invoicing for Miscellaneous Expenses: The Contractor must follow instructions prescribed under Section (2), Consideration, Paragraph C. Expenses submitted shall be either original or certified copies.

4. SIGNIFICANT CONTRACT DATES.

A. EFFECTIVE DATE.

This agreement is not effective unless and until a copy of the contract is filed and approved by the State with the Legislative Research Commission.

B. DATES WORK IS TO BE PERFORMED.

The period within the current fiscal year in which the services are to be performed under this contract is from July 1, 2012 to June 30, 2013.

C. EARLIEST DATE OF PAYMENT.

No payment on this contract shall be made before completion of the review procedure provided for in KRS 45A.705, unless and until alternate actions occur as set out in KRS 45A.695(7).

5. EXTENSIONS.

At the expiration of its initial term, this contract may, at the option of the parties hereto, be extended upon the same terms and conditions as set forth herein for further periods not to exceed twelve (12) months each.

The process for the circulation of the RFP and evaluation of the submitted proposals will be conducted at least every three years. Contract renewals may be executed with the contract provider for each year, but for no more than two consecutive years, following the original RFP solicitation/evaluation process. The terms of any contract renewal will be consistent with the terms provided in the original proposal.

6. RETENTION OF RECORDS.

The parties agree to maintain all records pertaining to this contract for a period of not less than three (3) years after all matters pertaining to this contract (e.g., audit, settlement of audit exceptions, disputes) are resolved in accordance with applicable federal and/or state laws, regulations, and policies (except as may otherwise be specified in this Contract).

7. ACCESS TO RECORDS:

The contractor, as defined in KRS 45A.030(9) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The contractor also recognizes that any books, documents, papers, records, or other evidence received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884.

8. INSURANCE.

During the term of this Contract, Contractor shall maintain and also shall require any subcontractor to maintain directors and officers' liability insurance, workers' compensation insurance, employer liability insurance, and such other liability insurance as reasonably necessary to provide adequate coverage against losses and liabilities attributable to the respective acts or omissions in the performance of this Agreement.

Notice of coverage shall be sent in writing to the attention of the Legal Department – Personal Service Contracts, Kentucky Housing Corporation, 1231 Louisville Road, Frankfort, KY 40601.

The Certificate of Insurance for any policy other than self-insurance or any reinsurance must require that the insurer shall not cancel the coverage without thirty (30) days prior written notice to the Cabinet and to the State Agency.

Contractor shall notify the State Agency within five (5) business days of any cancellation or interruption of insurance coverage. If insurance coverage expires at any time during the term of this Contract, Contractor shall promptly provide a new Certificate of Insurance evidencing coverage as required herein for not less than the remainder of the term of this Contract.

9. INDEMNIFICATION.

Contractor shall indemnify and hold the State Agency harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, charges, and expenses, including reasonable attorney fees, which may be imposed upon or incurred by the State Agency as a result of Contractor's breach of this Contract.

10. SOCIAL SECURITY.

The parties are cognizant that the State is not liable for Social Security contributions pursuant to 42 U.S. Code, Section 418, relative to the compensation of the Second Party for this contract.

11. CANCELLATION.

The State Agency shall have the right to terminate and cancel this agreement at any time upon thirty (30) days' written notice served on the Contractor by registered or certified mail. Every corporation formed or doing business in Kentucky is required by law to maintain a registered agent and a registered office in Kentucky upon whom process (such as summons and subpoenas) may be served. The Contractor must be registered with the Secretary of State of Kentucky prior to entering into the contract. **The Contractor must maintain an active status and good standing with the Secretary of State of Kentucky during the contract period.**

Funding Out Provision:

The state agency may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The state agency shall provide the contractor thirty (30) calendar days' written notice of termination of the contract.

12. PURCHASING AND SPECIFICATIONS.

This Contractor certifies by his signature hereinafter that he will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he attempt in any way to influence any purchasing of services, commodities or equipment by the Commonwealth of Kentucky. For the purpose of this paragraph and Paragraph 13, "he" is construed to mean "they" if more than one person is involved and if a firm, partnership, corporation, or other organization is involved, then "he" is construed to mean any person with an interest therein.

13. CONFLICT-OF-INTEREST LAWS AND PRINCIPLES.

The Contractor hereby certifies by his signature hereinafter that he is legally entitled to enter into the subject contract with the Commonwealth of Kentucky and certifies that he is not and will not be violating any conflict of interest statute (KRS 45A.330-45A.340, 45A.990, 164.390, or any other applicable statute) or principle by the performance of this contract.

14. CHOICE OF LAW AND FORUM PROVISION.

All questions as to the execution, validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Kentucky. Furthermore, the parties hereto agree that any legal action which is brought on the basis of this Agreement shall be filed in the Franklin County Circuit Court of the Commonwealth of Kentucky.

15. DISCRIMINATION (BECAUSE OF RACE, RELIGION, COLOR, NATIONAL ORIGIN, SEX, AGE OR HANDICAP) PROHIBITED.

During the performance of this contract, the Contractor agrees as follows:

- (1) The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex or age. The Contractor further agrees to comply with the provisions of Section 504 of the Rehabilitation Act of 1973, P.L. 93-112, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified handicapped individuals under any program or activity receiving federal financial assistance. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex or age or handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause.
- (2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex or age or handicap.
- (3) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.
- (4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.
- (5) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or Federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in or as otherwise provided by law.
- (7) The Contractor will include the provisions of paragraphs (1) through (7) of Section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a Contractor

becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

16. COMPLIANCE WITH FEDERAL, STATE, AND MUNICIPAL REQUIREMENTS.

The Contractor will obtain any required permits and comply with applicable federal, state, and municipal laws, codes, and regulations for work performed pursuant to this contract.

17. CONFIDENTIALITY.

The parties certify that they will comply with the provisions of the Privacy Act of 1974 and instruct its employees to use the same degree of care as it uses with its own data to keep confidential information concerning client data, the business of the Contractor, the State Agency, its financial affairs, its relations with its citizens and its employees, as well as any other information which may be specifically classified as confidential by either party in writing to the other. Contractor shall have an appropriate agreement extending these confidentiality requirements to Contractors' employees. Contractor shall maintain as confidential any information acquired from or provided by the State Agency consistent with the requirements or KRS 194B.060, KRS 205.175 and KRS 205.177. Contractor shall not release such information to any person, partnership, corporation or association without the written approval of the State Agency. Written approval by the State Agency is not required for release by Contractor to state and federal investigatory authorities.

18. SEVERABILITY.

It is understood and agreed by the Contractor that if any part, term, or provision of this Contract is held by the courts to be illegal or in conflict with any law of the Commonwealth of Kentucky or of the United States of America, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Contract did not contain the particular part, term, or provision held to be invalid, if the remainder of the Contract is capable of performance.

19. FORCE MAJEURE.

Neither Party shall be liable for public utility performance (e.g., Postal service; telephone; or water company, etc.) or for the consequence of public utility non-performance. Events or conditions beyond the reasonable control of the Parties, such as natural disasters, fires, floods, elements, transportation crashes, or utility failures shall not be construed as non-performance, nor shall reductions be applied as a result of such events. Each Party must inform the other in writing with proof of receipt within five (5) business days of the existence of a Force Majeure event or otherwise waive this right as a defense.

20. OBLIGATION OF GOOD FAITH.

Each party shall be obligated to act in good faith in the performance and enforcement of its obligations herein, and shall deal fairly, honestly and reasonably with the other party, having due regard for all relevant facts and circumstances.

21. REDUCTION IN CONTRACT WORKER HOURS:

The Kentucky General Assembly may allow for a reduction in contract worker hours in conjunction with a budget balancing measure for some professional and non-professional service contracts. If under such authority the agency is required by Executive Order or otherwise to reduce contract hours, the contract will be reduced by the amount specified in that document.

22. VIOLATION OF TAX AND EMPLOYMENT LAWS:

KRS 45A.485 requires the contractor to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the contractor shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the contractor shall be in continuous compliance with the provisions of those statutes which apply to the contractor's operations, and that the contractor's failure to reveal a final determination as described above or failure to comply with the above statutes for the duration of the contract, shall be grounds for the Commonwealth's cancellation of the contract and the contractor's disqualification from eligibility for future state contracts for a period of two (2) years.

CONTRACTOR MUST CHECK ONE:

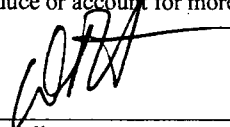
☒ The contractor has not violated any of the provisions of the above statutes within the previous five (5) year period.

☐ The contractor has violated the provisions of one or more of the above statutes within the previous five (5) year period and has revealed such final determination(s) of violation(s). A list of such determination(s) is attached.

23. MISCELLANEOUS PROVISIONS:

This agreement may be signed by each party upon a separate copy, and in such case one counterpart of this agreement shall consist of a sufficient number of such copies to reflect the signature of each party hereto. This agreement may be executed in two or more counterparts each of which shall be deemed an original, and it shall not be necessary in making proof of this agreement or the terms and conditions hereof to produce or account for more than one of such counterparts.


Funds Available:


Controller

First Party:

Kentucky Housing Corporation

By:



Title:

CEO

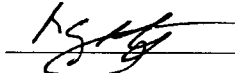
Date:

3/29/12

Second Party:

Kinkead & Stilz, PLLC

By:



Title:

Max

Date:

3-22-12

Approved by Kentucky Housing Corporation's Executive Committee on March 29, 2012.

INSTRUCTIONS

1. The date on which the agreement is "made" and "entered into" should be the date both parties sign, or, if signing is on separate days, the date on which the later signature is affixed. If the Contractor is a firm, list on a separate sheet of paper the name and Social Security Number for each individual who will be connected with the contract. The effective date of the contract is the date it is filed, after all necessary approvals, with the Legislative Research Commission. [KRS 45A.695(1)]
2. The first "WHEREAS" necessitates a short, simple statement describing the Agency function, be it expressed or implied by the law, relative to which the Contractor's services will be utilized.
3. Contract paragraph 1 (Services) should set forth the necessary instructions to the Contractor concerning the services to be provided. (Describe them, to the extent required.) If space is insufficient, refer to a letter in which instructions are spelled out in detail. Attach a copy of the letter to each copy of the contract.
4. Contract paragraph 2 (Consideration) should be clear and specific as to payment and as to expense reimbursement, if any. Specify whether the Contractor is to be paid in a lump sum on final and satisfactory completion of the contracted service, is to be paid on completion of stated portions of the service, or is to be paid at stated intervals. If fee is determined by any method other than lump sum after completion of all work, specify the method and rate (such as dollars per hour per classification of employee). List the information the Contractor is to provide on his invoice(s).
5. If a contract is being extended with the same terms and conditions (options stated in Contract paragraph 5), use form B111-13 (Notice of Extension of Personal Services Contract). However, if the new agreement is to involve any change (amounts, instructions, services, or any other provisions), establish a new contract (Standard Contract for Personal Services, Form B111-11).
6. Contract paragraph 6 requires a determination, based on facts, as to whether the Contractor will be considered and treated as an employee or as an independent contractor within the terms of the federal laws on Social Security. (If he is to be an independent contractor, the state would have no liability for Social Security contribution.)
7. Contract paragraph 7 may be modified, if desired, by deleting the word "thirty" and substituting a shorter-but not longer-period of time. [KRS 45A.695(1)]
8. If this form contract proves inadequate for the specific services involved, particularly with reference to Contract paragraphs 1 and 2, then it may be used as a guide for the drafting of a special-purpose contract document to provide additional (not less) information. A special-purpose contract document, if used, must include all the standard provisions contained in this form contract. These provisions generally reflect legal requirements or policy requirements applicable to all State personal service contracts. If a special-purpose contract is drawn, there must be a notation and appropriate signature on the contract indicating that it was either prepared or approved by:
 - (a) an attorney of the State Agency or
 - (b) the Assistant Attorney General assigned to that agency.
9. Originating agency will submit six (6) copies of the contract to the Division of Purchases and keep one copy of this contract for agency files. [KRS 12.210(1) provides that employment of attorneys is also subject to review by Attorney General and subject to approval by the Governor.]

Contract Number
PSC-KHC-2013-9

Note: All questions must be answered fully. If space provided is insufficient, additional pages should be attached referencing the specifically numbered item. Questions regarding this form should be directed to the Bureau/Staff Office Contract Officer.

3. Explain work to be performed. (Be specific. Include: Description of project; type(s) of service to be delivered; reports or products to be prepared; reason for duration of contract; etc.)

4. A. Does an identified or anticipated reason now exist which would indicate a need to renew the contract for the succeeding fiscal year?

If yes, explain: **Services to be performed are of an ongoing nature. Litigation handled by outside counsel may span fiscal years.**

5. FINANCIAL AND CONTRACT COST DATA:

- 8

F. Basis for Payment:

Hourly: \$125.00 per hour (partner), \$100 per hour (associates), \$40 per hour (paralegals) for contested matters not covered by a fee agreement

Fee for Service:

Other - Explain: fees for routine services as allowed by FNMA, FHLMC the VA and other investors and insurers

G. Method of Payment:

X Straight Disbursement
Inter-Account

H. Frequency of Payment:

Monthly
Quarterly
Upon Completion

X Other - Explain: Initial invoicing at time of Complaint filing and final invoice upon completion. In the event extraordinary circumstances arise, preapproval must be obtained for an interim bill.

I. Social Security Number (if individual) or IRS I.D. Number (of firm or corporate entity) of proposed contractor:

J. If an individual, will the terms of contract require that the contractor be considered an "employee" of this Department for FICA purposes? N/A

6. JUSTIFICATION FOR CONTRACTING WITH AN OUTSIDE PROVIDER TO PERFORM THE SERVICE.

The following questions should be addressed at a minimum: What in-house method(s) were considered and why were potential in-house method(s) rejected? Is the part of such nature that: it should be done independently of the agency to avoid a conflict of interest; it requires unique or special expertise/qualifications; and/or legal or other special circumstances require use of an outside provider? If services are needed on a continuing basis, describe efforts made to secure services through regular state employment channels? Will agency personnel provide staff support services to the contractor?

Staff has identified a need for legal representation in foreclosure and bankruptcy beyond that which can be provided by KHC's in-house Legal Department due to the need for specialized expertise, time commitments and cost effectiveness.

7. Name and address of other provider(s) considered to perform the service:

Ackerson & Yann, P LLC
401 West Main Street, Ste. 1200
Louisville, KY 40202

John W. Wooldridge
200 S. Buckman St.
Shepherdsville, KY 40165

Middleton Reutlinger
2500 Brown & Williamson Tower
Louisville, KY 40202

8. Basis for selection of the proposed contractor (explain process used in making decisions, i.e., solicitation of proposals, bids, references, and evaluation criteria applied):

Proposals were solicited by a RFP. Upon Receipt of the proposals a staff committee independently reviewed and evaluated the submitted proposals based upon the criteria of qualifications, experience, relevant previous experience and proposed fees for services and firms were selected on the basis of the evaluations. Staff reports were sent to the Board of Directors for final approval.

9. Planned supervision and monitoring of the contractor's performance:

A. Name and Title of Responsible Person: **Lisa A. Beran, General Counsel**

Office and Location:

Kentucky Housing Corporation, 1231 Louisville Rd., Frankfort, KY 40601

Telephone Number:

(502) 564-7630 ext. 722

- B. Describe the monitoring activities, both programmatic and fiscal, which will be performed including the manner in which monitoring needs will be addressed in the contract to facilitate this activity:

General Counsel will manage contact with the Contractor and have over sight of all work being performed.

SIGNATURES:

PREPARED BY: Deborah Neale

DATE: 3-20-12

RECOMMENDED BY: Dayle L. Smith

DATE: 3-26-12

TITLE: Director Sean Sweeney

APPROVED BY: Richard J. [Signature]
Chief Executive Officer

DATE: 3/29/12

CONTRACT ADDENDUM

between **Kentucky Housing Corporation** (First Party/State Agency)

and **Kinhead & Stilz, PLLC** (Contractor/Vendor/Second Party)

The undersigned hereby certifies that neither he/she nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of this contract, has contributed more than the amount specified in KRS 121.056(2), to the campaign of the gubernatorial candidate elected at the election last preceding the date of this contract. The undersigned further swears under the penalty of perjury, that neither he/she or the Contractor/Vendor which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth, and that the award of a contract to him/her or the Contractor/Vendor which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.

CONTRACTOR/VENDOR/SECOND PARTY:

Kinhead & Stilz, PLLC


(Signature)

Member
(Title)

STATE OF KENTUCKY)
)SS
COUNTY OF FAYETTE)

The foregoing statement was acknowledged and sworn to before me this 22ND day of MARCH, 2012 by
BARRY STILZ as MEMBER of Kinhead & Stilz, PLLC, for and on behalf of the
Contractor/Vendor/Second Party.

My Commission Expires: 8/31/2012


Notary Public, Kentucky, State-At-Large